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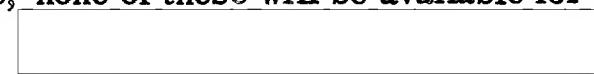
1. USSR MAKES MAJOR ADVANCE IN PHYSICS RESEARCH



Revelation by V. I. Veksler, a top Soviet physicist at the Geneva conference on peaceful uses of atomic energy, that the Soviet Union will soon complete new equipment for high-energy nuclear physics research indicates that the USSR will soon be in a pre-eminent position in this field. Soviet scientists will thus be enabled to perform experiments in high-energy nuclear physics which cannot now be performed in the West.

The USSR, according to the physicist, is about to complete a 10 billion electron volt (Bev) proton synchrotron (a particle accelerator) and is planning construction of a 50- to 100-Bev accelerator. The Soviet Union recently also disclosed existence of a 680 million electron volt (Mev) synchrocyclotron, another type accelerator--the highest energy synchrocyclotron in existence.

The United States, long a leader in this field, possesses two proton synchrotrons of three and six Bev respectively. While 25- and 30-Bev units are being planned in the United States and Western Europe, none of these will be available for at least five years.



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3. YUGOSLAVIA THREATENS TO STOP COMPLYING WITH BATTLE ACT

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Yugoslavia would renounce American aid rather than continue to observe the Battle Act, according to Yugoslav vice president and economic chief Vukmanovic-

Tempo. Vukmanovic, who is heading an economic mission to Moscow, told Ambassador Riddleberger, however, that his government does not want to break the act hastily, but that the act would have to be changed if it were to be a condition for the continued economic aid and shipments of agricultural surpluses which Belgrade wants.

Vukmanovic said that the Yugoslav government will require new long-term credits at low interest in order to relieve its deteriorating foreign exchange position. He protested the West's high interest rates and said that the USSR is prepared to grant credits for raw materials at 2-percent interest, and gold loans at the same rate. Although Vukmanovic would quote no amounts, Riddleberger reports that the USSR is rumored to have offered loans totaling \$100,000,000 for a 10- to 12-year period.

Vukmanovic reiterated that Yugoslavia's position is one of "independence," declaring that his government has no secret policies which are unknown to the United States.

Comment This is the toughest attitude toward American economic aid yet displayed by Yugoslavia. Ever since the Soviet visit to Belgrade, Yugoslav officials have denied any intention of contravening the Battle Act, stating only that their policy might have to be reconsidered in the future. Belgrade showed an interest as late as 12 August in obtaining from the United States for this fiscal year between \$34,000,000 and \$40,000,000 in economic aid, in addition to 24,000 tons of cotton and 600,000 tons of wheat under the surplus commodity act.

Although Yugoslavia may be trying to pressure the United States into more favorable economic treatment, the departure of Vukmanovic with a high-level Yugoslav economic delegation to Moscow on 20 August demonstrates Belgrade's hopes of a really substantial offer from the Soviet Union. (Concurred in by ORR)

4. NEW COMMUNIST OFFERS OF AID TO AFGHANISTAN REPORTED

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The Soviet ambassador in Kabul, during a meeting with Foreign Minister Naim on 10 August, offered to provide a medical mission for Afghanistan, according to a reliable source of the American embassy. Another embassy source reported that equipment valued at \$60,000 has been offered to the Kabul medical school.

In addition, Poland is reliably reported to have offered materials, equipment, and technicians for installing water systems in Kabul and Qandahar. On 16 August, however, when the American ambassador asked Foreign Minister Naim about the projects, he professed to know nothing about them.

Comment

If these reports are true, the Soviet bloc is evidently continuing to offer Afghanistan as much trade and economic and technical assistance as it will accept. The offer of a water system for Qandahar would bring Communist influence south of the Hindu Kush where Western influence traditionally has predominated.

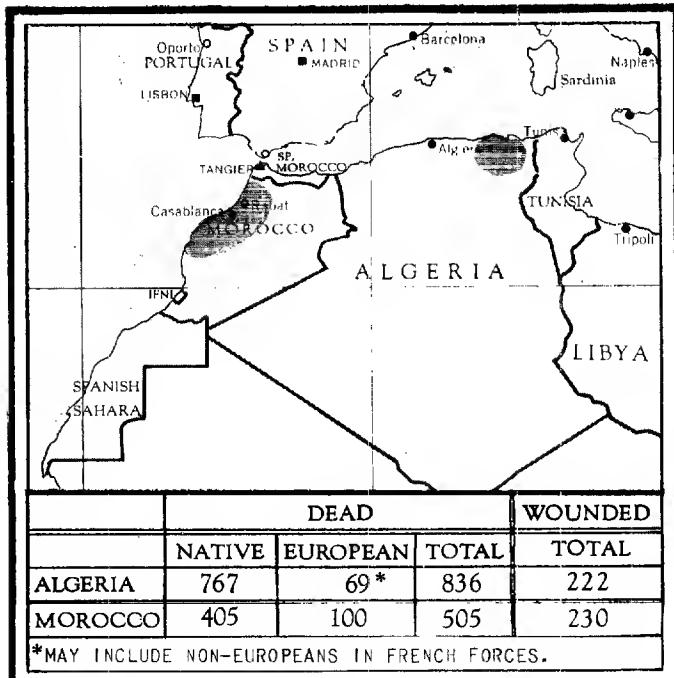
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6. COMMENT ON DISORDERS IN MOROCCO AND ALGERIA

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Disorders which erupted on 20 August among the Berber tribes in central Morocco and in eastern Algeria are the most serious since the Rif rebellion in the 1920's and appear to be the first co-ordinated action of North African native terrorists. These activities suggest that the Moslems in North Africa are capable of carrying out the directives of the nationalist headquarters alleged to exist in Cairo.

DISTURBANCES IN ALGERIA AND MOROCCO
19-21 AUGUST 1955 PRELIMINARY PRESS REPORTS



The latest estimate of casualties include more than 1,300 dead, of whom some 150 were European settlers. Press reports indicate that the French army and air force have leveled whole villages. Military reinforcements have been flown to Morocco from France, and the army in both Morocco and Algeria now appears to have the violence under control.

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News of the atrocities committed by the Moroccans, however, can be expected to bring retaliation by French settlers, and excesses on both sides may complicate the conversations between the French government and Moroccan leaders which were scheduled to commence on 22 August in Aix-Les-Bains.

7. PARIS OPTIMISTIC ABOUT TALKS WITH MOROCCAN LEADERS

On 20 August Pierre July, French minister for Morocco and Tunisia, told an American official in Paris that by 27 August Paris should be in a position to take definite decisions on the Moroccan throne issue and inauguration of a reform program. He emphasized that the government expects to reach speedy agreement with Moroccan leaders at the Aix-Les-Bains talks so that a Moroccan government can be established immediately.

July said that Resident General Grandval is no longer thinking of resigning. He also explained that Premier Faure's deadline of 12 September for a settlement of the Moroccan dispute was set partly in anticipation of the UN General Assembly session scheduled for 20 September.

Comment

The rioting in Morocco since July's statement was made has strengthened Faure's hand against his right-wing ministers, who insisted that Sultan Ben Arafa try to form a representative Moroccan cabinet. Faure is expected to meet the demands of Moroccan nationalist leaders, who reportedly will meet with French government spokesmen only if assured first that (a) Ben Arafa will be replaced by an acceptable regency council, and (b) France will recognize the principle of eventual independence.